



# REALIZING THE PROMISE OF LCFF

RECOMMENDATIONS FROM  
THE FIRST TEN YEARS

EXECUTIVE SUMMARY

MARCH 2023



# EXECUTIVE SUMMARY

Established in 2013, the Local Control Funding Formula (LCFF) is a set of funding reforms that transformed public education in California. Instead of a complex, inefficient, and punitive categorical funding approach, LCFF ushered in a new era of local funding flexibility. In exchange, LCFF established new requirements for transparency, equitable distribution of resources to high-need students, and meaningful engagement with students, families, and communities. Under LCFF, every school district<sup>1</sup> is required to collaborate with their community to create a strategic action and spending plan called the Local Control Accountability Plan (LCAP). The LCAP is designed to be a constantly evolving, comprehensive strategic planning tool that supports collaborative decision-making with communities. It is also intended to serve as a mechanism to hold districts accountable for their equity and engagement obligations.

By establishing a new, more flexible and progressive way to fund schools and support their continuous improvement, the promise of LCFF was to improve student outcomes through greater equity, transparency, local accountability, and meaningful community engagement. Over the past decade, it has fundamentally transformed how public schools are funded and held accountable.<sup>1</sup> However, the potential of the LCAP process to close long-standing opportunity gaps and create a culture of continuous improvement and collaborative decision-making with communities too often remains a promise unfulfilled. Although bright spots exist, by and large, our review of recently approved 2022-2023 LCAPs in 72 districts throughout the state suggests that significant innovation is needed to strengthen the LCAP as a tool for comprehensive strategic planning, engagement, and accountability.<sup>2</sup>

## ACCOUNTABILITY FOR EQUITY REQUIREMENTS

School districts must adopt LCAPs by July 1 to submit to county offices of education. However, districts frequently produced incomplete, inconsistent, and non-compliant LCAPs by the deadline, thereby undermining districts' equity obligations.

- 39 of 72 districts posted either an incomplete LCAP or no LCAP at all by the deadline.
- Only one district had completely consistent figures across all sections.
- Three districts reported discrepancies greater than \$10 million in their total funding for high-need students between their Budget Overview for Parents and their Action Tables.

To promote equity, districts must increase or improve services for low-income students, English learners, and foster youth<sup>3</sup> in proportion to the amount of additional funding (supplemental and concentration funding) they receive. Districts should use all of these funds in the year they received them, and any unspent supplemental and concentration funding must be carried over to the next year and remain committed to high-need students. However, many districts' LCAPs fell short of meeting their obligations to high-need students.

<sup>1</sup> LCFF governs school districts, county offices of education, and charter schools, which are collectively known as local education agencies (LEAs). To simplify, we refer to LEAs as "districts" throughout.

<sup>2</sup> Some analyses included all 72 districts, while others included a smaller subset.

<sup>3</sup> Low-income students, English learners, and foster youth are collectively labeled "unduplicated" students under LCFF. We will refer to these three student groups together as "high-need students" throughout this report.

**Example:** District X has 10,000 students. Of these students, 60% are high-need (low-income, English learner, and foster youth). In year YYYY, the base grant amount is \$8,000.

**The Formula**

<b>Concentration</b>
<b>Supplemental</b>
<b>Base</b>

40% of the students are not high-need. These 4,000 students each generate **base funding**.

60% of the students are high-need. These 6,000 students each generate **base funding** and **supplemental funding**. The district has 5% more high-need students than the 55% threshold. These 500 students each generate additional **concentration funding**.



**Non-high-need student**  
Base grant only (\$8,000)  
=\$8,000/student



**High-need student up to 55%**  
Base grant (\$8,000)  
+20% Supplemental Grant (\$1,600)  
=\$9,600/student



**High-need student over 55%**  
Base grant (\$8,000)  
+20% Supplemental Grant (\$1,600)  
+50% Concentration Grant (\$4,000)  
=\$13,600/student

- 23% budgeted less funding for services for high-need students than the amount of funding they received to support those students, thus failing to meet their equity obligations. After factoring in carryover obligations, more than 40% failed to meet their equity obligations.
- 52% failed to utilize all of their funding for high-need students and needed to carry funds over to the next year. 16 districts carried over more than \$5 million.
- Many districts improperly categorized services for all students as services for high-need students, resulting in high-need students losing out on critical directed services.
- Less than 20% of districts clearly explained how they used their concentration add-on grant funding, a new funding source designed to increase staffing levels at high-need schools.

County offices of education (COEs) review all district LCAPs after July 1 and have a duty to intervene if LCAPs are incomplete, inaccurate, or violate the law. However, County reviews failed to fix many of the problems we identified.

- After COE review, 24 of 72 districts still had incomplete LCAPs.
- Similarly, all 72 district LCAPs had inconsistencies in the figures reported by the different LCAP sections. Even the one LCAP that was completely consistent prior to COE review was revised to include inconsistencies. In some cases, discrepancies were greater than \$30 million.
- COEs approved LCAPs with contributing actions that did not actually increase or improve services for high-need students and/or allowed districts to arbitrarily inflate expenditures of contributing actions to meet proportionality on paper only.

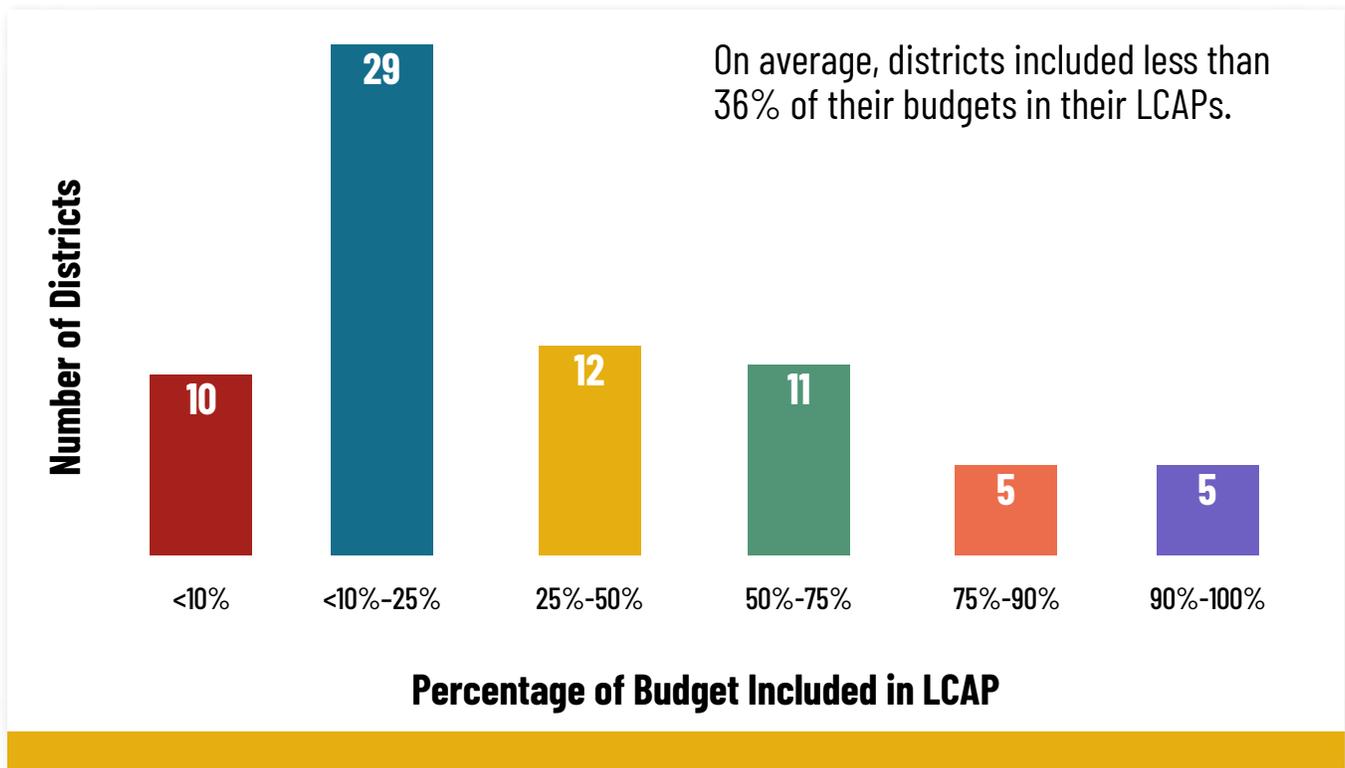


## RECOMMENDATIONS FOR STATE ACTION

- Mandate the use of an electronic LCAP template that 1) automatically populates information to address consistency issues, 2) tracks changes between LCAP drafts, and 3) prevents submission of LCAPs that are incomplete or do not demonstrate proportionality.
- Increase support for and regularly audit COEs to evaluate whether they are fulfilling their review, support, and accountability duties under LCFF; increase oversight for COEs that routinely approve inadequate LCAPs.
- If a district is found to have not met their equity obligation – through UCP complaints, audits, or other means – require them to amend their current LCAP to account for any shortfalls retroactively discovered.

## COMPREHENSIVE STRATEGIC PLANNING

We found that most districts exclude significant programs and expenditures from their LCAPs, include only a fraction of their budgets, and fail to describe actions – including discretionary school site allocations – with enough detail for communities to understand what districts are doing or monitor whether programs and services are implemented and effective.<sup>11</sup>





- 51 districts (71%) included less than 50% of their budget in the LCAP.
- Less than half of the districts that received a California Community School Partnership Program implementation grant mentioned community schools in their LCAP.
- Many of the largest districts in California omitted billions of dollars of COVID relief funding from their LCAP.

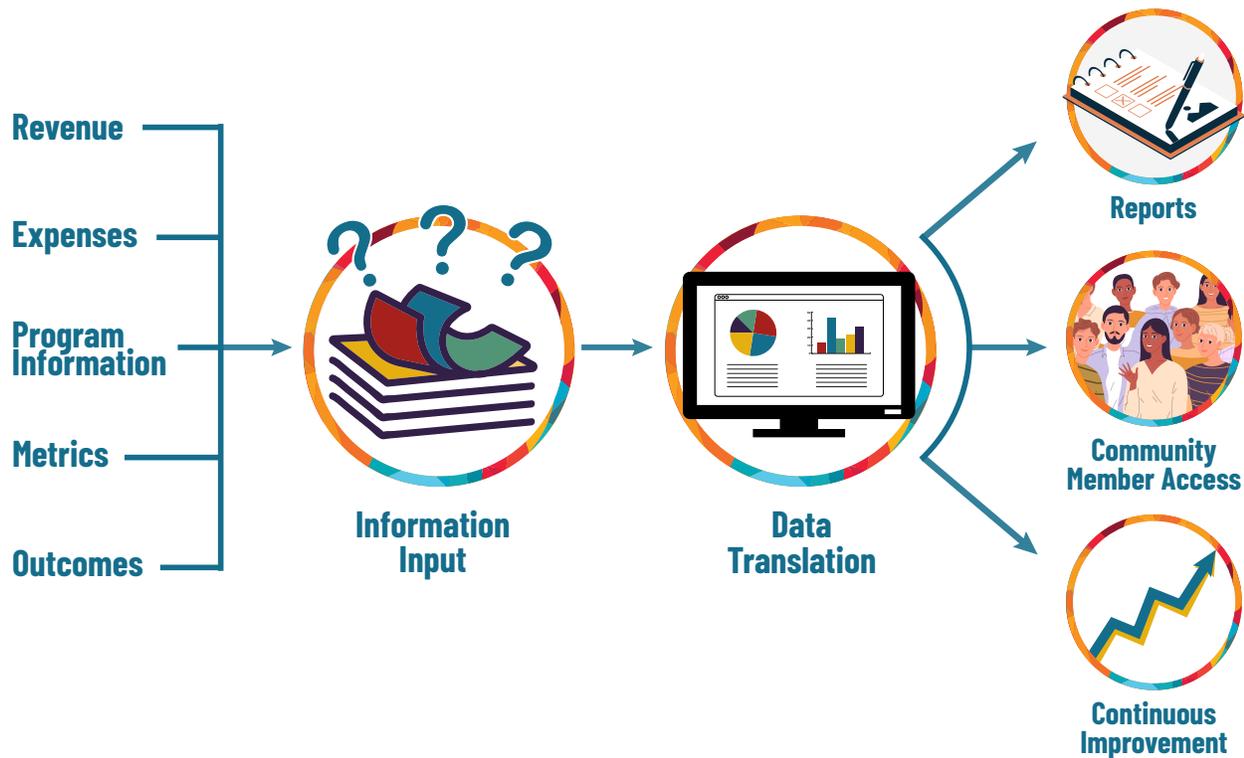
In addition to excluding key programs and services from their LCAPs, districts often provided inadequate descriptions of the programs and services that they *did* include. Descriptions were often so vague or general (bundling together a host of different programs) that it was impossible to understand what districts were doing, why they were doing it, or how specific programs and services were moving them toward their equity goals. These types of blanket services – like “additional support services for students” that cover everything from bus drivers to library technicians – obscure vital information from community members around funding, implementation, and results.

Similarly, two-thirds of the district LCAPs we reviewed in-depth included at least one fully discretionary school site action involving supplemental and concentration funds, meaning that the district provided these funds to school sites to spend however the site administrators chose. Such allocations, however, remain subject to LCFF legal requirements that they be used to increase or improve services for high-need pupils. Yet districts typically did not provide any description in their LCAPs about how these funds were spent or any other indication that they are directed towards high-need students. While more local control of LCFF funding at the site level is crucial, such flexibility must be accompanied by transparency so that COEs and the public can ensure that the legal requirements are met and, more generally, so that they can understand, impact, and monitor the effectiveness of school funding decisions.

## **RECOMMENDATIONS FOR STATE ACTION**

- Require districts to include in the LCAP all actions and expenditures that are designed to make progress on LCAP goals, regardless of funding source, including Expanded Learning Opportunities Program allocations, Learning Recovery Emergency Block Grant funds, Educator Effectiveness funds, and California Community Schools Partnership Program grant funds.
- Provide clear guidance and support to districts on creating and describing specific actions (as opposed to vague or bundled actions) and empower county offices of education to reject LCAPs that do not meet this standard.
- Require districts to align School Plan for Student Achievement (SPSA) templates with their LCAP, post SPSAs on districts’ LCAP webpages, and instruct schools to include any school site discretionary funding (regardless of funding source) in their SPSAs. Add a provision to the LCAP that requires districts to explain their methodology for allocating school site discretionary funds and how these funds will meet the legal requirements for uses of supplemental and concentration funding, including engagement at the site level.
- Invest in an innovative, web-based comprehensive planning platform (beyond the current “back-end” electronic LCAP template for districts) that integrates LCAP and other budgetary information with data, visual aids, and sorting, filtering, and comparison features.

## COMPREHENSIVE ONLINE STRATEGIC PLANNING PLATFORM



## MEANINGFUL COMMUNITY ENGAGEMENT AND DECISION-MAKING

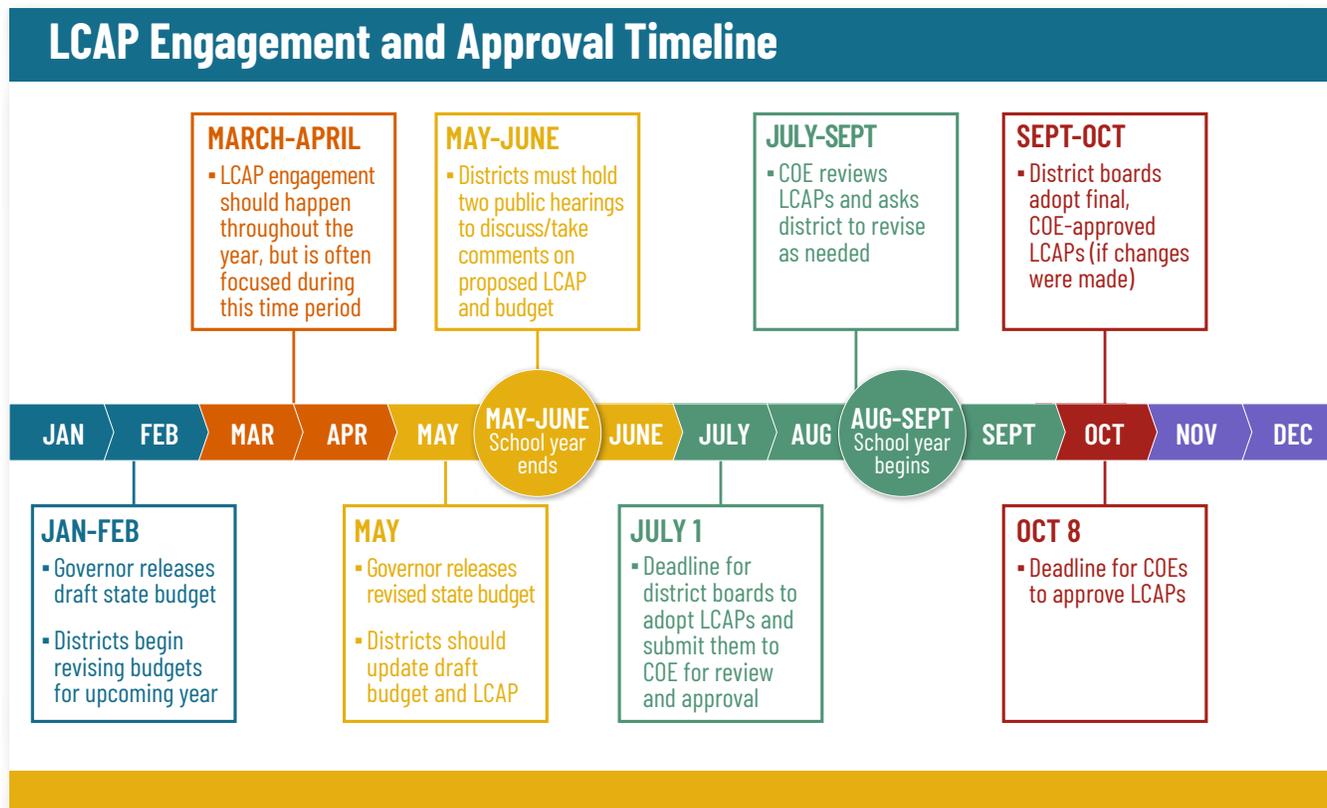
Effective community engagement and shared decision-making are cornerstones of LCFF’s enhanced local control. Still, many districts are failing to engage students and families in an inclusive and authentic manner, and communities across the state are still calling for more accessible and meaningful engagement. Eighty-five percent (85%) of districts we reviewed in-depth received feedback that engagement was not accessible enough.

LCFF requires districts to convene a Parent Advisory Committee and, if the district has a certain number of English learners, a District English Learner Advisory Committee. However, only 40% of districts mentioned presenting the LCAP to the required parent committees, and only 25% of districts mentioned providing responses to parent committee feedback as required by law.

In addition to those two parent committees, districts may form additional advisory committees that reflect community needs. However, few districts took that extra step to perform targeted outreach to traditionally marginalized or hard-to-reach communities.

- Only 25% of districts mentioned engagement with a Black advisory committee, and only 45% mentioned engagement focused on racial justice.
- Only 10% created advisory groups focused on foster youth and/or unhoused students.

LCFF also requires consultation with students, but 40% of districts performed only the bare minimum for student consultation, seeking feedback solely through surveys without pursuing further dialogue or offering other opportunities for engagement.



Districts must conduct two public hearings to introduce and then approve the LCAP. LCAPs are complex documents that can be hundreds of pages, but districts failed to provide community members (and likely their own board members) with adequate time to review the drafts and provided even less time for districts to digest and incorporate community suggestions.

- 90% of districts did not hold a first hearing until June.
- 36% of districts adopted the LCAP a week or less after the first public hearing, and 10% held public hearings only one or two days apart, providing essentially no opportunity for districts to incorporate any input received during the first hearing.

In the LCAP itself, districts are required to share a summary of the feedback they received through the LCAP engagement process. However, many districts lumped together all the feedback they received, selectively chose feedback to highlight, and/or failed to incorporate the feedback into their LCAPs. In some cases, districts decreased funding in areas prioritized by the community or simply failed to show whether concrete suggestions had been implemented.

## THEMES FROM COMMUNITY INPUT ACROSS THE STATE



### Mental Health and Social Emotional Health Resources

Psychologists  
Counselors  
On-Campus Mental Health Services  
Trauma-Informed Practices  
Race-Based Trauma Support



### Well-Rounded Educational Opportunities

Arts Education  
Music  
Field Trips  
Ethnic Studies Classes  
Sports  
Science Camps



### Academic Support for Black Students and English Learners

College Preparedness Resources  
Intervention Programs  
Mentors  
Tutors



### School Climate and Reimagining Safety

Bullying Prevention  
Restorative Justice  
Culturally Relevant Training  
Improving Crisis Response Protocols

## RECOMMENDATIONS FOR STATE AND LOCAL ACTION

- Amend the LCAP engagement timeline to allow more time for community and board members to review and provide input. Specifically, require districts to publish a draft LCAP by the end of April and hold their first public hearing before the governor's May Revise budget proposal. Further, require districts to publish a revised draft LCAP in June that incorporates feedback provided at the public hearing and updated state budget estimates, and then adopt the LCAP at the next public meeting no less than two weeks after the first hearing. Require districts to engage educational partners on how to prioritize spending if there are significant changes to budget assumptions after the LCAP is adopted.
- Districts should invest in building their capacity to meaningfully engage with students and families by 1) participating in the Community Engagement Initiative, 2) investing more resources in community engagement, including specialized staff and trainings for students, families, and staff at the site level, and 3) implementing research-based practices to improve dialogue between the district and community members.
- The state should improve accountability over districts' engagement efforts by updating the LCAP engagement prompts, integrating meaningful engagement into differentiated assistance support, establishing uniform data on engagement, and empowering county offices of education to monitor engagement requirements.



## ENDNOTES

- I See Joonho Lee, Bruce Fuller, and Sophia Rabe-Hesketh, *How Finance Reform May Alter Teacher and School Quality: California's \$23 Billion Initiative*, 58 AM. EDUC. RSCH. J., 1225-1269 (2021); Julien Lafortune, *Targeted K-12 Funding and Student Outcomes: Evaluating the Local Control Funding Formula*, PUB. POL'Y INST. OF CAL. (Oct. 2021), <https://www.ppic.org/publication/targeted-k-12-funding-and-student-outcomes/>; Carrie Hahnel and Daniel C. Humphrey, *What's Next for the Local Control Funding Formula?*, POL'Y ANALYSIS FOR CAL. EDUC. (Nov. 2021), [https://edpolicyinca.org/sites/default/files/2021-11/r\\_hahnel\\_nov21.pdf](https://edpolicyinca.org/sites/default/files/2021-11/r_hahnel_nov21.pdf).
- II We identified similar concerns in 2016. See Angelica K. Jongco, *Keeping the Promise of LCFF: Key Findings and Recommendations After Two Years of LCFF Implementation*, PUB. ADVOCES. (Apr. 2016).